

# LYNCHBURG CITY COUNCIL

## Agenda Item Summary

MEETING DATE: **June 8, 2004**

AGENDA ITEM NO.: 4

CONSENT: **X**

REGULAR:

CLOSED SESSION:

ACTION: **X**

INFORMATION:

(Confidential)

**ITEM TITLE:** **Authorize the City Manager to execute a contract with Brown Edwards & Co. L.L.P., Certified Public Accountants, to provide the City's and Schools' Financial and Compliance Auditing Services**

**RECOMMENDATION:** Adopt a resolution to authorize the City Manager to execute a three-year, with the option to renew for an additional two years, Financial and Compliance Auditing Services (Auditing Services) Contract with Brown Edwards & Co., L.L.P., Certified Public Accountants for the City and Schools effective with the audit for FY 2004.

**SUMMARY:** In April, 2004, an Evaluation Team comprised of representatives from the City and Lynchburg Public Schools (Schools) developed and issued a Request for Proposals for Financial and Compliance Auditing Services. In early May six audit firms submitted Proposals. After reviewing the proposals, the evaluation team invited two for additional interviews. Evaluation criteria included qualifications/experience of the auditing personnel and firm, methodology and ability to provide the services outlined in the Request for Proposals, and technological capability and innovation. The Evaluation Team completed its review and submitted a recommendation to the Audit Committee on June 1, 2004 to award the contract for Auditing Services to Brown Edwards & Co, L.L.P. In accordance with Sec 2.129,18, the Audit Committee recommends the selection of Brown Edwards & Co, L.L.P. to provide Auditing Services for the City and Schools beginning with the FY 2004 Audit. Brown Edwards offers an experienced audit team, demonstrated communication skills, a focus on suggestions for process improvements, and a commitment to professional development. It is necessary to request City Council to authorize the City Manager to execute the Contract totaling \$148,600 comprised of a base amount of \$133,600 (City-\$103,500 and Schools-\$30,100), plus a \$15,000 contingency for additional grants and systems documentation work, if necessary.

**PRIOR ACTION(S):** June 1, 2004: Audit Committee recommends approval of the contract.

**FISCAL IMPACT:** Expenditures for the FY 2003 audit were \$195,710 (City-\$151,240 and Schools-\$44,470). This Contract estimate of \$148,600 for auditing services, including the contingency, represents a combined estimated savings for both the City and Schools of \$47,110. It is expected in the second year of the contract, estimated savings from FY 2003 would approximate \$92,000. No additional funding is needed.

**CONTACT(S):** Michael W. Hill 455-4218

**ATTACHMENT(S):** Resolution

**REVIEWED BY:** lkp

Resolution

BE IT RESOLVED THAT the City Manager is hereby authorized to execute a contract with Brown Edwards & Co, L.L.P to provide Financial and Compliance Auditing Services for FY 2004, 2005, and 2006 with option to renew additional two years.

Adopted:

Certified:

\_\_\_\_\_  
Clerk of Council

077L